

Tabby

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 87-333-W/S - ORDER NO. 88-522
MAY 24, 1988

IN RE: Application of Haig Point Utility) ORDER
Company, Inc. for approval to operate) APPROVING
a water and sewer system and for approval) ESTABLISHMENT
of a schedule of rates and charges for) OF SERVICE
customers in the Haig Point Plantation) AREA AND
Area, Daufuskie Island, Beaufort County,) RATES AND
South Carolina.) CHARGES

By Application filed February 5, 1988, Haig Point Utility Company, Inc. (the Applicant) seeks approval to provide water and sewer service in the Haig Point Plantation area, Daufuskie Island, Beaufort County, South Carolina, and for approval of a schedule of rates and charges for water and sewerage service provided to its customers in this area. The Application was filed pursuant to S. C. Code Ann. Section 58-5-240 (1976), as amended, and R.103-821 of the Commission's Rules of Practice and Procedure.

After notice duly provided, a public hearing was held pursuant to S. C. Code Ann. Section 58-3-95 (Cum. Supp. 1987) in the Offices of the Commission on May 12, 1988 at 10:30 a.m., the Honorable Henry G. Yonce, presiding. The hearing panel consisted of Commissioners Butler and Frazier. Appearances were entered by M. Jeffrey Vinzani, Esquire, on behalf of the Applicant and Marsha A. Ward, Assistant General Counsel, on behalf of the

Commission Staff. No one appeared in opposition to the Application.

The Applicant presented the testimony of Danny E. Stanley, Professional Engineer and Vice President of Thomas and Hutton Engineering Company; John J. Hutton, Project Representative and Business Services Coordinator of Thomas and Hutton Engineering Company; and Benny K. Jones, Vice President of Construction of International Paper Realty Corporation, President of the Haig Point Utility Company and President of Haig Point/Melrose Wastewater Treatment Company, to present testimony concerning the proposed operations of the utility and explain the proposed schedule of rates and charges. The Application and attached exhibits were moved into evidence as Hearing Exhibit No. 1. The testimony established under Paragraph A, "Tapping Fees", of Section III, "Special Conditions", that if tap fees have not been paid and water and sewer charges commenced within five (5) years of the purchase date, the customer will be charged the base rate for water and sewer services, in addition to the authorized tap fee. The Commission also notes that the testimony relating to Paragraph C, "System Development Charges", of the same Section III, established that system development charges apply only to a developer outside of the Company's approved service area requesting service to be connected to the Haig Point system.

The testimony given by witness Jones explained how the Applicant will operate its water and wastewater services. Haig

Point Utility Company, Inc. was incorporated on August 28, 1986, for the purpose of providing sewer collection and water distribution services to property owners on Haig Point Plantation, Daufuskie Island, South Carolina. International Paper Realty Corporation of South Carolina entered into an agreement whereby the Melrose Group and International Paper Realty Corporation of South Carolina formed Haig Point/Melrose Wastewater Treatment Company, Inc. for the purposes of providing the development, construction and operation of a six hundred and forty thousand (640,000) gallon per day wastewater treatment facility on Daufuskie Island. Under this agreement, Haig Point Utility Company holds a sixty (60%) percent ownership and the Melrose Utility Company holds a forty (40%) percent ownership interest.

The Commission is of the opinion, and so finds, that based on the record of this proceeding, that the rates and charges requested by the Applicant, and as shown in Appendix A of this Order, are fair and reasonable and should be granted. Further, the Commission is of the opinion and so finds that the Applicant is fit, willing and able to provide the proposed water and sewerage service in the requested service area, and approves same.

IT IS THEREFORE ORDERED:

1. That Haig Point Utility Company, Inc. be, and hereby is, granted a Certificate of Public Convenience and Necessity to

operate as a water and sewerage utility in the Haig Point Plantation Area, Daufuskie Island, Beaufort County, South Carolina.

2. That the schedule of rates and charges for Haig Point Utility Company, Inc., as set forth in Appendix A attached hereto be, and hereby is approved and may be charged for service rendered on or after the date of this Order.

3. That Haig Point Utility Company, Inc. shall maintain its books and records for its water and sewer operations in accordance with the NARUC System of Accounts for Class B Water and Sewer Utilities.

4. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


ACTING Executive Director

(SEAL)

HAIG POINT UTILITY COMPANY, INC.

DOCKET NO. 87-333-W/S - ORDER NO. 88-522
MAY 24, 1988
APPENDIX A

PAGE 1 OF 3

I. RESIDENTIAL RATES

A. WATER:

1.	Tapping Fee & 3/4" Meter Box	\$	500.00
2.	Base Monthly Charge 0-7, 500 gal. use	\$	15.00
3.	Each 1,000 gal. over 7,500 gal./month	\$	1.20

B. SEWER:

1.	Tapping Fee & Lateral Stub	\$	500.00
2.	Base Monthly Charge	\$	15.00
3.	Each 1,000 gal. over 7,500 gal./month	\$.96

C. IRRIGATION:

1.	Tapping Fee & 3/4" Meter Box	\$	500.00
2.	Each 1,000 gal. used per month	\$	1.20

II. COMMERCIAL RATES

A. WATER:

1.	Tapping Fee per Hotel or Inn Room	\$	250.00
2.	Tapping Fee up to 1-1/2" Water Meter	\$	500.00
3.	Tapping Fee for 2" or 3" Water	\$	1,500.00
4.	Tapping Fee for 6" Meter	\$	3,500.00

(Larger Meter on a case by case basis)

5.	Base Monthly Charge, 0-7, 500 gal.	\$	21.00
6.	Each 1,000 gal. over 7,500 gal.	\$	1.20

B. SEWER

1.	Tapping Fee per Inn Room	\$	250.00
2.	Tapping Fee, 4"-8" 0 Sewer Pipe	\$	500.00
3.	Base Monthly Charge, 0-7,500 gal. use	\$	21.00
4.	Each 1,000 gal. over 7,500 gal./month	\$.96

C. IRRIGATION:

- | | |
|-----------------------------------|-----------|
| 1. Tapping Fee & 3/4 Meter Box | \$ 500.00 |
| 2. Each 1,000 gal. used per month | \$ 1.20 |

III. SPECIAL CONDITIONS

A. TAPPING FEES: Capacity in the water and sewer systems has been reserved for purchasers of lots and/or building sites in Haig Point. Tapping Fees must have been paid and water and sewer charges commenced within five years from purchase date.

B. BACKFLOW PREVENTION: All irrigation systems and pipes running from potable water lines must have approved backflow prevention devices installed.

C. SYSTEM DEVELOPMENT CHARGES: Should new customers or their agent(s) petition to connect to the systems where there are no existing lines, pumps, hydrants, etc.; and should such petitions be approved, the following requirements shall apply:

1. New customers or their agent(s) shall be responsible for the cost of installation of the new water and sewer systems, including points of connection with existing systems and effluent return systems. The Installation shall be according to the requirements and satisfaction to the utility company, and costs shall include observation, testing, and certification services provided by utility company.

2. New customers or their agent(s) who install their systems must pay an amount equal to their share of the net investment in the existing plant and system facilities. This payment, on a cost per gallon of design flow, will be made according to the System Buy-in Pricing Basis (AWWA Manual 26, First Edition), based on the following formula.

System		Accumulated		Net
a. Original Cost	-	Depreciation	=	Cost
b. Net Cost	-	Outstanding	=	Total
		Debt		Equity*

<u>Total Equity Investment</u>			
<u>System Water or Sewer</u>			
c. Flow (Total design gallons per day	=		\$/gallons

*For these calculations, the utility company's annual report to the PSC for the preceding year shall be used. Extra strength wastewaters will be charged accordingly.